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## CENTRAL INTELLIGENCE AGENCY

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## INFORMATION REPORT

## REPORT

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## Introduction

1. During March, 1952 the DDR Bureau fuer Wirtschaftspragen (BfW) continued its struggle to ensure future supplies for the various HV's of the Para-Military Forces, particularly the Hauptverwaltung Ausbildung (HVA). There was increased evidence of Russian interest, and in some cases, where Russian interests conflicted with what the BfW considered practicable, the Russians were compelled to make concessions. It became clear that the BfW enjoyed a considerable measure of independence from the SCC, and that control was carried out on a basis of negotiation and compromise.
2. The emphasis on supplies to the HVA, as shown by Russian alterations of the requirement plan for 1952 and by the comments of HVA officials, was mainly on the production of G.5 vehicles needed in the Bereitschaften for drawing artillery pieces across country. The anxiety of the Russians to cope with this problem was apparent in their sudden abandonment of interest in the DDR's production of H.1 type vehicles in favour of a light towing-vehicle which could be produced more quickly. Apparently it became clear to them that because of industrial problems they could not expect many of these vehicles in 1952, and declared themselves in favour of a 50 h.p. truck (LKW). A further increase in Russian interest in the BfW was apparent in an order that, in the future, all new vehicles for the HVA would be paraded before Chulikov himself.
3. Apart from new evidence of Russian interest in the BfW, there were no new developments except for the usual negotiations with industry for the completion of orders. Bottlenecks were apparent everywhere and attempts

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to cope with them were of little avail. It became clear to officials of the BfW that original planning for 1952 had been far too optimistic.

#### Alterations to the HVA Requirements Plan 1952

4. After the initial announcement to section chiefs on 12 February 1952 by Willi Stoph, head of the BfW, that the requirements plan (Bedarfsplan) of the HVA had been altered on instructions from General Makarov (SCC) a number of minor conferences were held in the HA.II. These concerned ways of making it clear to Makarov that some of the changes could not possibly be put into effect and how others affecting industry, which were practicable, could be implemented. At first it appeared possible that the State Planning Commission (Staatliche Plankommission) would be called in, since the changes seemed to be important enough to affect the Five Year Plan. However, concessions by the SCC afterwards made this unnecessary.
5. Outstanding among additional Russian demands was an order for 75 amphibious vehicles (Schwimmwagen) adapted to P.1 type vehicles, and 75 adapted to G.5 vehicles. As the construction plant for the vehicles were not even available, representatives of the BfW considered it hopeless to attempt production in 1952. After considerable negotiations, therefore, Makarov agreed that it would be wise to attempt only the development of the vehicles in 1952 for production in 1953. A second alteration was a decision by Makarov, for which no explanation was given, to abandon production of 300 field-kitchens which were already well on the way towards completion. It appears probable that Makarov was inadequately informed of the stage of development of this enterprise, since after negotiations had been carried out, he agreed that the vehicles should be completed.
6. An attempt by Makarov to increase production of the P.1 and H.1 vehicles in 1952 was also refused by the BfW. The BfW considered that they could not place any greater strain on DDR industry by forcing the production of the Horsch motor intended for these vehicles, and finally the Russians gave orders that approximately 150 vehicles in their existing form should be completed using up the remainder of spare parts which were held in the DDR, but that afterwards the attempted full scale production within the year 1952 should be abandoned. Similarly, realising that the BMW Type 340 motor intended for the P.1 could only be ready for production by the end of 1952, the Russians decided that only a limited number should be produced (using up spare parts) but that the attempt at regular production in 1952 should then probably be abandoned. In order partially to fill in the temporary gap made by writing-off the two types (H.1 and P.1), the Russians agreed to the production of two hundred 50 h.p. all-wheel drive Phaenomen trucks which could also be used for towing light artillery pieces. Orders were given for a specimen vehicle to be built at the Phaenomen Works in Zittau to be demonstrated to Chuikov on 15 April 1952. At the same time a 50 h.p. motor developed by BMW Eisenach was also considered as a possible stop-gap for the H.1's and P.1's.

#### BfW Negotiations with Industry

7. Meanwhile although the Russians themselves had agreed to modify the original production programme, the BfW carried on an acrimonious correspondence with Levchin of Artovelo, insisting that the type 670-motor for the H.1 vehicles should be completed, and complaining about their failure to begin motor-cycle production. In the end the BfW even went to the extent of writing to Makarov and asking him to put pressure on Levchin.

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8. The final specifications for motor-cycles agreed with Chef-Inspekteur Karl Hoffmann, HVA (and which Artovelo obstinately refused to begin), envisaged a vehicle designed to carry 300 Kilos of luggage and three men. The side-car drive, originally planned, was abandoned, and a capacity of 500-600 ccs accepted. The question of production remained academic, however, as Levchin, weighed down with other problems, refused even to discuss the matter.

Investigations into G.5 production

9. At the beginning of March, officials of the BfW visited Werdau, where G.5 vehicles were being produced, to discover whether target dates would be kept. The original aim had been 25 vehicles in June, 1952, 120 in July and further proportionate increases in following months. In fact the works at Werdau reported that they would be able to deliver five vehicles in June and probably 100 in July. This proposal was unsatisfactory to the BfW who had proposed to distribute 25 vehicles with normal seating to each Bereitschaft for trial, and 120 with chassis only to be converted into towing vehicles, signal trucks, armoured vehicles, etc., and implying a further four or five months' development at the coach-building firms. In order to complete production by the end of 1952, therefore, the chassis had to be ready at the latest by July 1952, and the BfW insisted on its original target. The main shortages holding up production at Werdau were self-starters, crankshafts, steering shafts (Gelenkwellen), transmission shafts (Kardanwellen), cog-wheels, and glass.
10. At the Horsch Works, which were engaged on production of trucks and also of motors for the G.5 and H.6 vehicles, roughly 600 finished vehicles were standing about in yards and sheds but could not be delivered because of lack of self-starters. Production was also very precarious because of risks which had been taken with the crankshaft (Kurbelwelle). In order to step-up production, it had been necessary also to modernise the pressing of crankshafts so that they would be made from one mold (Gesenk). The mold itself made from molybdenum steel had been completed in December 1951, but the first test (Gipsabguss) revealed flaws which it took until February 1952 to eliminate. Even then, because of lack of hammers and the industrial demand on the only one available (Thaelmann Werke), the second test (Abschlag) could not be carried out until 15 March 1952, (result not known). If it succeeded, G.5 production could be expected to be in full swing in June and July 1952, but there was a strong possibility that it would fail, in which case a new mold and long delay would be inevitable.
11. Other difficulties in G.5 production were connected with the production of cog-wheels (Bogenverzahnung) for which special machinery (Gleason or Klingenbeck) was needed. Of the Gleason machinery, which was considered superior to the other, there were only three sets in the DDR capable of carrying out the process. The first, old models built about 1926-27, were at the Horsch Works, the second at the BMW, and the third with a Field Post Unit at the N.A.G. Schoeneweide. The BfW needed a minimum of six Gleason machines and could well have used 11 to cope with its programme. A group of 20 engineers was, therefore, appointed at Liebert Wolfertz to work night and day on stripping down and copying the Field Post Unit's Gleason machine. Approval for this operation was given by General Chuikov. The finished copied machine was expected to be ready for establishment in the MVM (Werkzeug Maschine Fabrik) within three months- so that if all goes well, a limited cog producing capacity could be expected by June 1952.

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12. Further impediments in G.5 production were disc wheels (Scheibenraeder), Mowelith glass, and steering parts. The latter were normally produced from seamless piping, which was not produced anywhere in the DDR, and could not be imported. The only alternative was to roll sheeting and afterwards weld it together, but whereas this process was satisfactory in the case of short shafts, it caused great difficulties in G.5 production.

Guaranteed production figures (Richtzahlen)

13. In March 1952 General Chuikov gave certain highly guaranteed production figures (Richtzahlen) to the BfW to help them in their negotiations with industry. Instructions were given that they should not be quoted directly to any customer. They were:

P.1's	750
H.1's	2,000
KS 120	600

The BfW was told that whatever else happened they could guarantee that there would be no change in the policy until at least these figures had been reached.

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